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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Jeffrey O. Burrell et al.	Examiner:	Gerald J. O'Connor
Serial No.:	09/964,973	Group Art Unit:	3627
Filed:	September 27, 2001	Docket:	60027.0050US01/BS01094
Confirmation No.:	2947	Notice of Allow. Date:	
Title:	Inventory Record Reconciliation		

CERTIFICATE UNDER 37 CFR 1.8:

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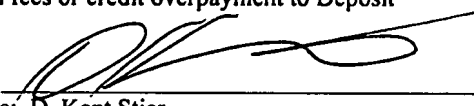
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(PTO TRANSMITTAL - GENERAL)

**PRE-APPEAL BRIEF REMARKS**

**I. Rejection of the Claims Under 35 U.S.C. § 101**

In the Office Actions dated February 4, 2005, July, 13, 2005, May 31, 2006, and December 7, 2006, the Examiner rejected Claims 11, 13, 16, and 22-26 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Specifically, the Examiner states that the claimed invention does not produce a "useful, concrete, and tangible result." See December 7, 2006 Office Action, page 5, lines 3-7. Applicants disagree and submit that the claimed invention produces "a report showing reductions and additions to the count of the current inventory." See Independent Claim 11. The CAFC has determined that data (e.g. inventory records, price information, etc.) transformed by a machine (e.g. a processing device) constituted a practical application of an abstract idea, because it produced "a useful, concrete and tangible result" – a smooth waveform (e.g. a report). See In re Alappat, 33 F.3d 1526, 31 USPQ2d 557 (Fed. Cir. 1994)(*en banc*). A claim limited to a machine or manufacture, which has a practical application in the technological arts, is statutory. Id. at 544.

In light of the above, Applicants respectfully assert that Claims 1, 13, 16, and 22-26 are drawn to statutory subject matter and are thus allowable under 35 U.S.C. §101, and request withdrawal of this rejection.

**II. Rejection of the Claims Under 35 U.S.C. § 103(a)**

In the Office Action dated December 7, 2006, the Examiner rejected Claims 11, 13, 16, and 22-26 under 35 U.S.C. § 103(a) as being unpatentable over what the Examiner considered to be the Applicants' Admitted Prior Art ("AAPA").

Courts have generally recognized that a showing of a *prima facie* case of obviousness necessitates three requirements:

- (i) some suggestion or motivation, whether in the references themselves or in the knowledge of a person of ordinary skill in the art to modify the reference or combine the reference teachings;
- (ii) a reasonable expectation of success; and
- (iii) the prior art references must teach or suggest all claim limitations.

See MPEP 2143; In re Dembiczak, 175 F.3d 994 (Fed. Cir 1999); In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998); Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc., 75 F.3d 1568, 1573 (Fed. Cir. 1996). Therefore, a three prong test must be applied when attempting to make a *prima facie* case of obviousness. The first prong requires that there must be some suggestion or motivation to combine the cited references. The second prong requires that there must be a reasonable expectation of success. And the third prong requires that the cited references must teach all claim limitations. All three prongs must be met to make a *prima facie* case of obviousness.

In responses to Office Action dated February 4, 2005, the Examiner merely stated the claim recitations were well-known within the art. See Office Action dated February 4, 2005, pages 4-5. In the Amendment and Response filed April 28, 2005, the Applicants requested the Examiner provide documentation in accordance with 37 C.F.R. 1.104(d)(2). See Amendment and Response dated April 28, 2005, page 11, lines 19-26. In the Final Office Action dated July 13, 2005, the Examiner states that Applicants failed to traverse the Examiner's statement of what is "well-known." See Final Office Action dated July 13, 2005, page 7, lines 12-15. As indicated, Applicants did traverse the Examiner's statement of what is "well-known." See Amendment and Response dated April 28, 2005, page 10, last paragraph-page 11, last paragraph.

In addition, MPEP 702.02(j) requires that cited references teach or suggest all the claim limitations. The Examiner has not cited any references in the rejections. As a result, Applicants respectfully suggest that the Examiner has failed to make a *prima facie* case of obviousness. In order to make a *prima facie* case of obviousness, the Examiner must set forth references which teach or suggest every claim limitation. See MPEP 2143. The Examiner has never produced cited references to support his contentions. Accordingly, Claims 11, 13, 16, and 22-26 patentably distinguish the present invention, and Applicant respectfully requests this rejection of Claims 11, 13, 16, and 22-26 be overturned.

Appellants submit that the Examiner has failed at least the third prong of obviousness, in that the Examiner has failed to set forth references that teach or suggest all the claim limitations. Accordingly Appellants respectfully request withdrawal of this rejection of Claims 1, 13, 16, and 22-26.

#### IV. Conclusion

In view of the foregoing remarks, Applicants respectfully request the reconsideration and further examination of this application, and the timely allowance of the pending claims. The preceding arguments are based only on the arguments in the Response and Amendments and Office Actions of record for the above identified application, and therefore do not address patentable aspects of the invention that were not addressed by the Examiner in the Office Actions or Response and Amendments.


Please grant any extensions of time required and charge any additional required fees to our deposit account 13-2725.

Respectfully submitted,  
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